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Operational activities of the United Nations for international development cooperation: progress report on the implementation of the triennial comprehensive policy review

Simplification and harmonization of rules and procedures for operational activities for development

Report of the Secretary-General**

Summary

The present report is submitted in compliance with paragraphs 57 to 65 of General Assembly resolution 56/201 on the triennial comprehensive policy review of operational activities for development, outlining the measures undertaken by United Nations system organizations to make progress in that area. The report refers to the programme of work that the funds and programmes will carry out in that area in pursuance of paragraph 61 of the resolution. The programme of work itself, when finalized, will be made available as a conference room paper. The present report complements the report of the Secretary-General on the operational activities of the United Nations for international development cooperation (E/2002/47 and Add.1 and 2).

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I. Introduction

1. The present report outlines the steps being undertaken by the United Nations system organizations, in particular funds and programmes, to simplify and harmonize their rules and procedures for operational activities, in compliance with paragraphs 57 to 65 of General Assembly resolution 56/201 on the triennial comprehensive policy review of operational activities for development. The report refers to the programme of work that the funds and programmes will carry out in that area in pursuance of paragraph 61 of the resolution. Specific reforms that those institutions are identifying and expect to implement by the year 2004 will be illustrated in a separate document, which will summarize the actual programme of work. It is anticipated that the programme of work itself will be made available as a conference room paper, together with the consolidated list of issues, prepared in consultation with the United Nations Development Group (UNDG), that the funds and programmes will submit to the Economic and Social Council in pursuance of paragraph 4 of Council resolution 1998/27. The present report complements the report of the Secretary-General on the operational activities of the United Nations for international development cooperation (E/2002/47 and Add.1 and 2).

II. Transaction costs, efficiency and procedural reforms

2. The recent International Conference on Financing for Development, held in Monterrey, Mexico, reaffirmed the importance of making better use of official development assistance (ODA) and other forms of development financing in order to achieve agreed development objectives, and recognized the need for collective efforts on the part of donors, recipient countries, multilateral organizations and other relevant national and international partners to harmonize the operational procedures of international cooperation.[1] Similarly, effectiveness of development support from the United Nations system and efficient use of its limited resources available for operational activities for development are threatened by the high transaction costs of planning for and implementing those activities. The simplification and harmonization of rules and procedures for operational activities are essential to enhance effectiveness of the United Nations system country operations.

3. Rules and procedures play an important role in the functioning of the United Nations system. As they apply to operational activities for development, they should ensure effectiveness, efficiency, relevance, impact and accountability in promoting support to recipient countries. The General Assembly recognized, in paragraph 9 of its resolution 56/201, that the complexities and diversity of procedural requirements of each system organization still place an enormous burden on recipient countries and the system organizations themselves. Innovations in that area have been called for in order to reduce administrative and financial costs. In the same spirit of engagement of the Monterrey Conference and with the same sense of urgency evoked in that occasion, the General Assembly requested further and deeper reforms to address the simplification and harmonization of rules and procedures. The reforms of procedures that regulate designing, programming, implementing, monitoring and evaluating operational activities were identified as a high priority and a key means to assist recipient countries in pursuing their goals.

III. Resolution 56/201

4. Although the General Assembly's 2001 triennial review recognized the progress made by the United Nations funds and programmes towards the harmonization of their programming cycles, programme approval processes and some other related areas, in paragraphs 57 to 65 of its resolution 56/201, the Assembly emphasized the need for additional ground-breaking measures.

5. As a matter of major concern and urgency, the General Assembly urged the United Nations funds and programmes and specialized agencies to put in place specific measures and timetables to advance the simplification, harmonization and rationalization of procedures, and to report on those measures to their respective governing bodies (see General Assembly resolution 56/201, para. 64). At the same time, the Assembly reiterated its call on all organizations of the system to take further steps — in a coordinating way — to enhance and ensure the sustainability of that process (see General Assembly resolution 56/201, para. 58), and took upon itself the responsibility of defining a series of precise areas in which concrete steps or

progress are expected, and for which the United Nations system will be held accountable to produce concrete results. Those areas are the following (see General Assembly resolution 56/201, para. 60):

(a) Decentralization and delegation of authority;

(b) Financial regulations;

(c) Procedures for implementing programmes and projects, in particular the requirements for monitoring and reporting;

(d) Common shared services in country offices;

(e) Recruitment, training and remuneration of national project personnel.

6. In its resolution 56/201, the General Assembly placed a great emphasis on the pace of progress expected for such reforms, and requested the United Nations funds and programmes to prepare a programme of work for the completion of the simplification and harmonization process in the areas identified and to submit that programme of work to the Economic and Social Council at its substantive session of 2002.[2] Measures identified in that programme of work should be fully implemented by the year 2004.

IV. Simplification and harmonization of procedures: a long-time concern

7. The concern of the General Assembly and the Economic and Social Council with the simplification and harmonization of the United Nations system's rules and procedures is not new. For many years, the two organs of the United Nations have focused on that matter (see General Assembly resolutions 42/196, sixteenth preambular paragraph and para. 19, 44/211, seventeenth preambular paragraph and para. 14, 47/199, para. 33, 50/120, para. 45 and 53/192, para. 31; and Economic and Social Council resolution 1999/6, para. 12), especially in relation to programming processes and project cycles, decentralization of authority, role of country office structures and executing modalities (see, for example, General Assembly resolution 42/211, para. 14). The 1989, 1992, 1995, 1998 and 2001 General Assembly triennial reviews all reiterated the call for reforms in that area (for the 2001 review, see in particular General Assembly resolution 56/201, para. 60). In 2001, the Assembly also recognized the specific responsibilities of inter-agency coordination mechanisms, such as the UNDG Executive Committee and the United Nations System Chief Executives Board (CEB), in defining an agenda for those reforms and their implementation (see General Assembly resolution 56/201, paras. 62 and 65), in addition to the role played by the executive boards of the funds and programmes.

8. In the past, the most far-reaching decision on simplification and harmonization was adopted in General Assembly resolution 47/199 as a result of the 1992 triennial review, in which the General Assembly requested that the inter-agency coordination mechanisms, in particular the Joint Consultative Group on Policies (JCGP, which could be considered the predecessor of the UNDG Executive Committee), reach an agreement on a common United Nations system-wide manual of procedures by 1 July 1994 (see General Assembly resolution 47/199, para. 33). As requested by the Assembly, such a manual was to have included common formats, rules and procedures, meeting the requirements of the programme approach. All formats, rules and procedures and periodicity of reports were to have been simplified and harmonized to promote national capacity-building, so as to assist Governments in recipient countries in integrating external assistance from different sources into their own development processes (see General Assembly resolution 47/199, para. 29).

9. The 1992 request for a common manual was reviewed by the United Nations system, and it was concluded at that time that the preparation of standardized and uniform procedures concerned with strategy formulation and with programming and programme implementation was too time-consuming and expensive. It would have required an enormous effort to retool the organizational systems and retrain personnel. Moreover, a common manual among JCGP organizations would not have included other agencies of the system which were not part of JCGP, making that effort for the standardization of procedures much less useful than expected. At the time, it was suggested that a common manual could be prepared more realistically through the formulation of separate common guidelines or guidance principles applicable to the entire United Nations system, in a number of selected areas in which agreement could be reached (see E/1994/64, para. 91; and E/1994/64/Add.1, paras. 91-100).

10. Although over the years some progress has been made and a number of system-wide guidelines have been produced in the context of the former ACC (currently CEB) machinery, in particular by the Consultative Committee on Programme and Operational Questions (CCPOQ),[3] changes in rules and procedures have been limited and slow since most CCPOQ guidelines have focused on principles, concepts, modalities and approaches, and have only indirectly addressed specific procedures.

11. Responding to a General Assembly request to examine this subject more in detail at the substantive session of 2000 of the Council, the Secretary-General prepared a report (see E/2002/46), containing an analysis of the obstacles to simplifying and harmonizing procedures and an illustration of the most recent efforts made by the United Nations system, in particular within the framework of UNDG, in three specific areas: the formulation of joint programmes, joint mid-term reviews of country programmes and a common approach to national project personnel.

12. In paragraphs 3 to 5 of its resolution 2000/20, the Council requested the Secretary-General, as part of the preparation of the triennial review of 2001, to assess the extent to which such harmonization and simplification measures had benefited the programme countries, inter alia, through greater coordination and synergy in programme design and implementation, and to identify the obstacles encountered in their implementation.

V. Harmonization of country programme approval processes

13. The introduction of new mechanisms, such as the common country assessment and UNDAF, underlined that the existing level of harmonization and simplification of rules and procedures in the programming area was insufficient to meet the challenges and opportunities of the new instruments. Individual agencies or groups of agencies have introduced actions to facilitate the required adjustments of rules and procedures affecting their programming processes. Both the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF) have developed and issued a revised programming manual with the aim of simplifying the process of country programme development. All funds and programmes have made changes in their country programme approval processes.

14. In 2001, a UNDG working group reviewed various options for further streamlining and integrating the programme development and approval processes of UNICEF, UNDP, the United Nations Population Fund (UNFPA) and the World Food Programme (WFP). UNFPA and UNDP presented the proposals of the working group to the UNDP/UNFPA Executive Board at its annual session of 2001. In its decision 2001/11, the Board effectively harmonized the programming processes of the two organizations.[4] The new procedures also provide an opportunity for members of the Board to contribute to the process of formulating country programmes prior to their finalization and to ensure that the process is country led, country driven and based on national priorities and needs. The harmonized programming process[5] provides a further opportunity to move the Secretary-General's reform agenda forward by promoting joint or closely coordinated planning and formulation exercises of new country programmes, in the context of current efforts of mobilizing additional resources and strengthening national ownership of the programming process.[6] The WFP Executive Board is expected to adopt a similar decision in 2002.

15. The UNICEF Executive Board, at its January 2002 session, followed UNDP and UNFPA decisions in modifying accordingly its process for the preparation, consideration and approval of country programmes, and reducing the length of time and workload for national authorities and UNICEF officers who are associated with the design of new cooperation programmes, while at the same time preserving and promoting a sound programming process. Those changes also aim to eliminate overlaps and reduce duplication in the preparation of documents. From 2002, the UNICEF process, including its major components and procedures, is not only streamlined and simplified but also consistent with the UNFPA and UNDP processes. The new process will apply to countries presenting proposals for cooperation programmes to the 2003 session of the UNICEF Executive Board, but its implementation will start in 2002 since the programming process is currently supposed to begin some months earlier as results of the harmonization of the programming cycles.

VI. The use of the common country assessment and the United Nations Development Assistance Framework as a common planning framework

16. The common country assessment and UNDAF are expected to produce a "replacement effect" and/or a "simplification effect" on the procedural requirements for the individual country programming of the funds and programmes. Since the last triennial review in 2001, some progress has been made, especially by UNDG Executive Committee member organizations.

17. The UNDP/UNFPA Executive Board decided to adopt a common programming process based on the existing common planning framework (i.e., the common country assessment and UNDAF, when they are available). UNDP and UNFPA country outlines will be developed by national Governments, according to their priorities and in consultation with other relevant United Nations organizations, including specialized agencies, and other partners, as appropriate. The UNDP/UNFPA Executive Board, starting from 2002, encouraged programme countries in which a common country assessment and a UNDAF are available or planned to use those tools as the common planning framework for United Nations operational activities at the country level. Country outlines will be drafted accordingly, highlighting the main components of the proposed country programmes — such as priorities, strategies, outcomes and proposed budget — that will be presented to the Executive Board for discussion at its annual session (where applicable, the common country assessment and the UNDAF will be made available for information). The Executive Board will review the draft country outline. The administrator of UNDP and the Executive Director of UNFPA will assist the Government of recipient countries in finalizing country programmes, taking into account the Board's comments on the draft outline. The adoption of that approach will help to develop common tools for monitoring progress and evaluating outcomes and results of the respective country programmes with a view to further harmonizing and standardizing the programming process.

18. The replacement of agency-specific assessments with the common country assessment as the basis for agency country programming is a trade-off between simplified and reduced diagnostic requirements and the benefits of more detailed agency-specific analyses. Both UNICEF and UNFPA recognize the need to integrate agency-specific assessments with the common country assessment and to encourage the active participation of their field representatives in the formulation of the common country assessments to ensure that outcome and reduce current duplication. The different timing and documentary requirements of UNICEF's processes have made it difficult to date for UNICEF to replace fully its country-level children situation analysis (country note) with the common country assessment and UNDAF outcome, or to use those tools as the basic input for the formulation of country programme recommendations.

VII. Decentralization and delegation of authority

19. The simplification and harmonization of procedures goes hand in hand with decentralization and delegation of authority. Responding to the Secretary General's call for far-reaching reforms, a number of United Nations organizations have started decentralizing their decision-making processes and delegating authority at the country level in order to bring their development assistance closer to its beneficiaries and field levels. WFP, one of the most noticeable examples of that trend in the past few years, has significantly transformed its organizational structure, decentralizing its Rome-based regional bureaux to the field and delegating authority in the areas of programme approval, logistics, procurement, finance and resource mobilization to the regional directors, regional managers and country directors.[7] The new decentralized structure of regional offices is currently similar to that of the World Health Organization (WHO), the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) and to a certain extent, UNICEF and UNFPA. Other decentralization initiatives were introduced by several agencies to reinforce organizational changes and enhance the impact of field activities.[8]

20. Some specialized agencies have also introduced measures to decentralize certain functions. For example, ILO is in the process of decentralizing the

monitoring and evaluation functions. FAO has delegated authority on operations and their implementation to its field representatives. The United Nations Industrial Development Organization (UNIDO) has also begun a process of transforming from a headquarters-based to a more field-based organization.[9]

VIII. Harmonization of programming cycles

21. Progress continues to be made in harmonizing programming cycles. As of April 2002, of a total of 91 countries where harmonization is feasible 89 countries have harmonized programming cycles and the two remaining countries are currently finalizing their harmonization.[10]

Table 1
Status of harmonization of programming cycles, as of April 2002

Category	*Description*	*Number of countries*
A.	Countries with programme cycles harmonized	89
B.	Countries where the harmonization of programme cycles are at the final stage	2
	Subtotal of countries where harmonization is feasible	**91**
C.	Countries where conditions remain uncertain/unstable and harmonization is not feasible	18
D.	Countries where harmonization is not appropriate due to limited United Nations presence or programme activities	47
	Total	**156**

IX. Initiatives for joint programming, mid-term reviews and national project personnel

22. Building on progress in harmonizing programme cycles and the momentum created by the common country assessment/UNDAF roll-out, a common format for joint programmes, outlines and documents was also developed as part of an inter-agency initiative. In June 2000, the UNDG Executive Committee adopted a guidance note on preparing joint programmes/projects, which was sent to all resident coordinators with a cover letter jointly signed by the Administrator of UNDP and the Executive Directors of UNFPA, UNICEF and WFP. In September 2000, the former ACC CCPOQ working group on United Nations resident coordinator system, after consideration of that guidance note, requested UNESCO to lead a system-wide study on joint programming and prepare specific system-wide proposals in that area.

23. Country-level experiences and the variety of current operational modalities provide the basis for the formulation of new proposals to enhance joint programming within the United Nations system.[11] The annual reports of the resident coordinators increasingly offer examples of joint programmes involving several agencies of the system, in particular in cross-sectoral areas.[12] Despite the emphasis on the common country assessment and UNDAF processes as tools to further enhance the harmonization of programming procedures and promote coordinated initiatives, the most commonly reported challenges to country-level coordination, according to the 2001 synthesis of the annual reports of the resident coordinators, are in the area of joint programming.

24. Suggestions for new procedures for joint mid-term reviews of country programmes have been developed and tested within UNDG. When implemented, they are expected to reduce the reporting requirements for recipient Governments. Their pilot implementation has identified important lessons, the most important of which is that Government participation in mid-term reviews should be ensured at all levels, along with a substantive dialogue with key donors and civil society. Those lessons have now been incorporated in the UNDG guidelines for joint mid-term reviews.

25. The General Assembly's request to promote greater consistency of provisions among agencies regarding national project personnel in order to avoid multiple arrangements that create significant differences in the conditions of service is not new (see General Assembly resolutions 50/120, para. 26, and 53/192, para. 50). In its last triennial review, the General Assembly reiterated its request to the funds and programmes to further simplify, harmonize and

rationalize procedures regarding national project personnel (see General Assembly resolution 56/201, para. 60). In January 2001, in pursuit of General Assembly resolutions 50/120 and 53/192, a UNDG subgroup on harmonization and simplification[13] issued a draft guidance note on national project personnel and tested it in nine pilot countries,[14] which were requested to coordinate administrative policies and procedures in the context of the existing rules and regulations.

26. That guidance note focuses on two areas:[15] remuneration and daily subsistence allowance rates. A renewed UNDG working group on national project personnel is revising the guidance note so that country teams may receive clearer deadlines for compliance of proposed reforms in that area, while exploring at the same time potential areas of collaboration regarding national project personnel. It should be noted that a clear definition of national project personnel has yet to be worked out.

X. Looking ahead: the preparation of the programme of work of the funds and programmes

27. The simplification of rules and procedures, decentralization and delegation of authority will continue to be prominent issues on the agenda of the funds, programmes and specialized agencies. At its second and third regular sessions of 2002, the WFP Executive Board will consider a discussion paper on simplification with the objective of approving a new policy. Several organizations are considering the use of information technology as a means to enhance the simplification of procedures. Initiatives range from using new and more sophisticated software to tracking budget or enabling web access to reference documents and forms required to develop and implement country programmes.[16]

28. UNDG provided a concrete response to the General Assembly's request at its fifty-sixth session for the full harmonization of rules and procedures. Since January 2002, UNDG Executive Committee member organizations have been actively engaged in that endeavour, and have agreed on a process for the formulation of a programme of work for the full simplification and harmonization in the areas specified in paragraph 61 of General Assembly resolution 56/201.

29. That process adopts a project approach. A team, formed by focal points of the UNDG Executive Committee member organizations, leads and facilitates the task of a working group. The focal points are in turn backed up by a reference group, which consists of specialists drawn from the administrative management, human resources, programme management and other relevant areas. The first step of the process will be to map existing modalities and then assess their implementation. Similarities and differences between modalities adopted by individual funds and programmes will be considered in order to identify which practices constrain programme effectiveness and efficiency and which could be simplified and harmonized. Country offices of funds and programmes are closely involved in that process and provide essential inputs.

30. The programme of work under formulation will include new simplified and harmonized modalities on the remuneration of national project personnel; the implementation of programmes and projects and requirements for their monitoring and reporting; financial regulations; and common information and communication technology platforms. Specific UNDG working groups envisage various initiatives for each of those areas. The programme of work will be the outcome of those efforts and is expected to be submitted as a conference room paper to the Council at its substantive session of 2002.

Recommendation 1

31. **On the basis of the General Assembly's request contained in resolution 56/201, paragraph 61, the Council may wish to invite the executive boards of the United Nations funds and programmes, at their next joint session, to consider the programme of work that the funds and programmes will have submitted for consideration to the Council at its substantive session of 2002, concerning proposed measures to simplify and harmonize rules and procedures in the areas of decentralization and delegation of authority, financial regulations, the implementation of programmes and projects and requirements for their monitoring and reporting, common shared services in country offices, and the recruitment, training and remuneration of national project personnel.**

Recommendation 2

32. **The Council may wish to invite the executive boards of the funds and programmes, at that joint session, to take into account the comments made on the proposed programme of work by the Council and its members, at the operational activities segment of its substantive session of 2002, in order to launch a programme of action based on the proposed reform measures, containing clear guidelines, targets, benchmarks and time frames, with the aim of ensuring full implementation of those measures by the year 2004.**

XI. Common premises and sharing of administrative services

33. Closely related to the harmonization of procedures is the issue of rationalizing the structure of country offices through the possible pursuit of common premises and the expansion of shared administrative services available to country-level representations. Since the onset of the Secretary-General's programme of reform, several measures have been taken within the UNDG framework to increase the coordination and efficiency of the United Nations system under the United Nations house programme and common services initiatives. Those measures led to the review of proposals to establish new United Nations houses and common premises, and interested country teams were assisted in preparing those proposals. A model with standard documents to assist country teams in that process was developed. A new common services pilot programme was initiated in 2001 on the basis of operational guidelines for common services implementation with the objective of field-testing the guidelines and developing a plan to expand the use of shared services at the country level.

A. Common premises/United Nations houses

34. Following the definition of criteria for the identification of the United Nations houses endorsed by the Secretary-General in 1998, a total of 46 United Nations houses have been inaugurated or designated between 1996 and December 2001. Since 1998, the Working Group on Common Premises and Services of the UNDG Management Group has been regularly reviewing proposals from country teams, examining possibilities of sharing common premises in a cost-efficient manner. The Working Group has reviewed a total of 175 proposals since 1998 (including new proposals for previously reviewed country offices). Thirty cases were reviewed in 2001. Following the designation of United Nations houses in countries where more straightforward opportunities existed and criteria for United Nations houses had already been met in 1998 and 1999, the pace of proposals has slowed in recent years. Recognizing that, the Working Group has identified and contacted 43 countries where there might be potential for establishing a United Nations house in 2000-2001, and has continued working with them in 2002 to pursue United Nations house opportunities. Moreover, the Working Group has been developing a model with step-by-step instructions and information to facilitate the process of establishing a United Nations house. It is expected that the transaction model will be operational in the second quarter of 2002.[17]

35. During the period from 1996 to 2002 the results indicated in table 2 were achieved.

B. Common services

36. In its resolution 56/201, the General Assembly called upon the funds and programmes to take concrete steps to develop the diffusion of common shared services in country offices. Work in that area is already under way and clear results have been achieved, especially in 2001. Following the CCPOQ guidelines on the administrative management of the resident coordinator system, covering the area of common services, the UNDG management group has been developing tools and guidance on the implementation of common and shared services.

37. With a view to further improving those guidelines and developing a global plan for common services implementation, UNDG has developed a common services programme. That programme, supported by the Government of the United Kingdom, involves training United Nations system operations managers and high-level staff as resource persons who would train United Nations system operations staff in eight pilot countries. Those resource persons will also use their skills to enhance common services in the country in which they are posted, and will serve as a resource through a virtual support network for the wider United

Table 2
Establishment of common premises/United Nations houses, 1996-2004

Date	*Status*	*No.*	*Countries*
1996-1998	Inaugurated/ designated	30	Algeria, Armenia, Azerbaijan, Belarus, Bhutan, Bulgaria, Cape Verde, Comoros, Costa Rica, Eritrea, Ethiopia, Honduras, Lebanon, Lesotho, Libyan Arab Jamahiriya, Lithuania, Malaysia, Maldives, Mauritius, Nepal, Papua New Guinea, Philippines, Poland, Russian Federation, Samoa, Sao Tome and Principe, South Africa, Swaziland, Turkmenistan, United Arab Emirates
1999-2001	Inaugurated/ designated	16	Bahrain, Belgium, Belize, Botswana, Ecuador, Gambia, Kyrgyzstan, Japan, Latvia, Namibia, Pakistan, Paraguay, Republic of Moldova, Slovakia, Trinidad and Tobago, Ukraine
2002-2004	Proposed United Nations houses under consideration	5	The target is set for five United Nations houses to be designated in 2002, and the total (51) should therefore surpass the target of designating at least 50 United Nations houses by 2004

Nations system. The UNDG common services programme includes financial support, through a seed money initiative, to assist several other countries in initiating common services. The programme is being implemented in conjunction with the New York-based Task Force on Common Services, which oversees common services initiatives for headquarters locations of the United Nations, thus dovetailing common services initiatives in both headquarters locations and United Nations country offices, and involves UNDG agencies as well as other members of the United Nations system, including the specialized agencies and Bretton Woods institutions.[18]

38. Going beyond the current common services initiative, UNDP, UNFPA and UNICEF are exploring the feasibility of establishing a joint office in countries where their presence is small and does not justify a full-scale presence. The joint office would have a single representative with, initially, overall responsibilities for the activities of those three agencies. It would involve rationalizing country-level representation, programme structures and staffing, and would lead to the integration of administrative and management functions and services. It should have substantial cost savings. Feasibility studies are being prepared in selected pilot countries to assess the implication of that approach and its implementation, including its applicability to other counties, as appropriate.

C. Lessons learned and challenges

39. Through UNDG's experience in the United Nations house and common services initiatives, the following lessons have been learned:

(a) Existing premises in many recipient countries are insufficient in size to accommodate the staff of even the four UNDG Executive Committee members;

(b) Moving one agency to a United Nations house may result in additional financial burden to the organizations, especially at the initial stages, when set-up costs can outweigh long-term cost benefits;

(c) The most cost-effective modality for the system in establishing a United Nations house is obtaining appropriate and ready-to-occupy rent-free premises from Governments, while the highest-risk and least preferred modality is obtaining land grants from

Governments for the construction of office buildings by participating system organizations;

(d) Successful negotiations with Governments for common premises require harmonization of terms and conditions of the basic cooperation agreements of participating system organizations with regard to the provision of office space;

(e) The harmonization of administrative services and training in administrative practices and common services, including in the area of information technology systems, would also facilitate common services at the country level;

(f) Progress in the above-mentioned areas requires that all agencies commit themselves and provide support to United Nations houses and common shared services at all levels, and translate a consistent message from each agency's headquarters to their field staff.

* * *

Recommendation 3

40. **The Council may wish to take note of the progress made in increasing the number of United Nations houses and the approach adopted to achieve and enhance common premises and services at the country level, particularly by UNDG Executive Committee members, in cooperation with other organizations of the system.**

Recommendation 4

41. **The Council may wish to recommend that the executive boards of the United Nations funds and programmes, as well as the governing bodies of the United Nations specialized agencies, accord the issue of common services a high priority and take concrete steps to facilitating its implementation at the country level, including by providing financial support to the process of setting up such services, ensuring that an operations management team is in place in all medium-sized-to-large country offices and offering training for operations staff.**

Recommendation 5

42. **The Council may wish to recommend that the executive boards of the funds and programmes consider the subject of further progress in achieving common premises and shared services, possibly at an upcoming joint session of the boards, and consider a practical joint programme of action, based on the principles of shared governance, transparency, quality assurance and demonstrated cost-benefits, including appropriate cost-sharing and adequate financing.**

Recommendation 6

43. **The Council may wish to encourage member States to make available appropriate premises for United Nations houses.**

Notes

[1] The International Conference on Financing for Development, in paragraph 43 of the Monterrey Consensus (see A/CONF.198/11, chap. I, resolution 1, annex), stated that recipient and donor countries, as well as international institutions, should strive to make ODA more effective. In particular, it was stated that there is a need for the multilateral and bilateral financial and development institutions to intensify efforts to harmonize their operational procedures at the highest standard so as to reduce transaction costs and make ODA disbursement and delivery more flexible. In identifying actions to strengthen the effectiveness of the global economic system's support for development, the conference also, in paragraph 64 of the Consensus, encouraged strengthening the coordination of the United Nations system and all other multilateral financial, trade and development institutions to support economic growth, poverty eradication and sustainable development worldwide.

[2] The funds and programmes were preparing the programme of work at the time of writing the present report: it is expected that the programme of work will be made available to the Council for consideration as a conference room paper.

[3] Those system-wide guidelines were collected, in a later stage, in what is now known as the CCPOQ manual on operational activities; the functions of CCPOQ have been absorbed by the High-level Committee on Programmes of CEB, which may make use of an ad hoc network on operational activities for that purpose, in collaboration with UNDG.

[4] The Board decided that the common programming process will be based on the existing common planning framework and that the national Government will develop the country outlines of the respective organizations, in consultation with relevant United Nations agencies, including specialized agencies and other relevant partners, as appropriate.

[5] Following decision 2001/11, an inter-agency working group developed a new and common format for country programme outlines and documents; the new format was transmitted to all resident coordinators and UNFPA representatives in November 2001.

[6] See the remarks made by the UNDP Administrator and the UNFPA Executive Director in a memorandum of November 2001 that accompanied the transmission to the resident coordinators of the new format for country programme outlines.

[7] By September 2001, WFP had completed the decentralization of its Rome-based regional bureaux to the field by outposting both the Africa and Asia regional bureaux. It established the regional bureaux for West Africa in Dakar, for Central Africa in Yaoundé, for eastern/southern Africa in Kampala, for Asia in Bangkok. The regional bureau for Eastern Europe was restructured and brought to Rome, while the regional bureau for the Mediterranean/Middle East/Central Asia remained in Cairo and the bureau for Latin America and the Caribbean in Managua.

[8] In the case of WFP, that included four guidance tools dealing with programme, procurement, budget and human resource issues, and a financial management improvement system, narrowing the real-time information gap between Rome and country-level operations.

[9] In 1998, UNIDO introduced a number of measures to assign greater responsibility to field staff as part of its transformation. As a proof of the importance that UNIDO attaches to activities at the country level, the organization increased by 44 per cent the resources allocated to its country-level programme in the biennium 2000-2001.

[10] As part of the proposal for the new programme process agreed by its Executive Board in January 2002, UNICEF has agreed that short-duration country programme cycles will be avoided as much as possible, except where necessary to achieve or maintain harmonization of cycles among United Nations agencies. Even in countries experiencing emergency situations, a medium-duration cycle will be adopted, wherever feasible, and programme partners will use the existing annual and mid-term reviews to make necessary adjustments to the programme focus.

[11] An informal consultation on those types of experience, organized in Paris in November 2000 produced suggestions for developing joint programmes within the system and highlighted the measures necessary to attain that goal. Those proposals were directed not only to ACC machinery and the governing bodies of the system but also to member States themselves. The final report of that consultation identified some key enabling factors that may favour joint programming and some potential obstacles.

[12] E.g. in poverty eradication, programmes that already have an inter-agency orientation (UNAIDS) or require the involvement of several agencies for funding, such as United Nations Fund for International Partnerships (UNFIP).

[13] Currently replaced by the UNDG management group.

[14] Bangladesh, Brazil, Cambodia, Jordan, Kazakhstan, Myanmar, Nepal, Uzbekistan and Zimbabwe. The number of agencies involved in harmonization efforts varies from country to country. For example, in Zimbabwe, harmonization efforts involved all United Nations agencies. In Myanmar, harmonization efforts involved UNDP, UNFPA, WFP, the United Nations International Drug Control Programme (UNDCP), WHO and FAO.

[15] Other areas where harmonization may be feasible include contractual modalities, recruitment procedures, insurance and performance assessment methods.

[16] FAO, for example, is improving field programme monitoring through its field programme monitoring information system.

[17] Since 1998, the Working Group has undertaken 41 missions, 11 of them in 2001. A total of 47 countries were visited on those missions, sometimes on more than one occasion, to offer technical support to country teams in locating and working out the logistics of establishing United Nations houses. The support of the Working Group, especially through the missions, was cited in resident coordinator annual reports of 2001 as a useful support to country teams in negotiating with Governments and evaluating potential premises.

[18] As a key initiation of the programme, in November 2001, operations and programme staff including managers and heads of agencies from 18 countries, and seven agencies, were trained at the United Nations Staff College in Turin on the operational guidelines and the newly developed common services process approach model based on the guidelines. The second stage, due to start in early 2002, was to involve country-level workshops, the launch of seed money initiatives and, thereafter, setting up, sharing, maintaining and improving common shared services.